

Personnel Issues & You



UPPS Newsletter 2001-05

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[http://www.state.ky.us/
agencies/personnel/
pershome.htm](http://www.state.ky.us/agencies/personnel/pershome.htm)

Holiday Pay

The issue of holiday pay for Interim employees was discussed in a recent Payroll Council meeting. Personnel Memo 99-14 states in part, "full-time employees should be paid for either 7.5 or 8.0 hours holiday pay based on the work week code on the P-1. Part-time employees are to be paid for 3.75 hours. Interim employees are to be paid 7.5 hours." As a means of clarification, if the full-time Interim employee is coded on the P-1 as a 40 hour work week employee, he should be paid for 8.0 hours. Please ensure that you are in compliance.

Return of Payroll Boxes

Payroll Officers, please return the boxes in which you receive your payroll checks to the

Treasurer's Office as soon as they have been emptied.

These boxes are very expensive and the failure of some agencies to return them each pay period is seriously hampering the check distribution process.

Employment Tax Responsibilities for Employer Provided Vehicles

If you have an employee that is assigned a state vehicle, and use it to commute or for personal reasons, we suggest you review the regulations. Since some values must be reported, it is very important for agencies to review these regulations. Some vehicles such as ambulances, state police cars, etc. are exempt.

Please review the following link for further information regarding employment tax responsibilities for employer provided vehicles. If you have any questions regarding this you may contact Daryl Dunagan in the State Division of Social Security at (502) 564-3952.

<http://www.state.ky.us/agencies/finance/depts/ss/cars.pdf>

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Guidelines for SAS-27

Recently, the Payroll Council met with Robin Wiedo from Treasury regarding the submission of SAS-27s. As of March 21, 2001, over 6000 SAS-27S had been submitted for processing. However, the number of errors was extremely high. The Council strongly encouraged Robin to start returning the SAS-27 to the agency. The following are some of the problems being encountered:

- ♦ MARS accounting information is omitted and the top portion of SAS is incomplete
- ♦ Numerous mathematical errors
- ♦ Numbers transposed and careless mistakes
- ♦ Disbursement amount does not equal net of the state pay column
- ♦ Original not signed in **red**
- ♦ Copies getting separated – **please staple**
- ♦ SAS-27s being submitted that could have been paid on supplemental
- ♦ Memo column not being completed on who Treasury needs to make check payable to

Attached is a completed sample of an SAS and following are instructions on how to calculate a pay check:

How to figure FICA (social security and Medicare) taxable:

Gross amount of employee's pay_____

Subtract retirement_____

Subtract health insurance premium_____

Subtract flexible spending premium_____

This is the FICA taxable wages_____

How to figure federal and state taxable:

Amount of FICA taxable from above_____

Subtract Deferred Comp/annuities_____

This is the federal and state taxable_____

How to figure local taxable:

In most cases, the local taxable is on the employee's gross; however, for 18-20, 18-21, 18-24 and 18-25 you subtract health insurance premium and flexible spending before you calculate.

Additionally, for 05-74 and 05-75 the local tax is based on the federal and state taxable amount.

Retirement is calculated on the gross amount of the employee's salary.

As Robin pointed out, **please provide as much information as you can** to ensure the SAS-27 is processed the way you want. For instance, Robin has no idea what deductions numbers mean. The memo column of the SAS is to be used for you to tell Robin who to make the check payable to. For instance, Bluegrass Family Health, Kentucky State Treasurer, Commonwealth Credit Union, KECC, etc. **Payments for state paid life, Deferred Compensation and shortfall should be made payable to Kentucky State Treasurer.** If you are unsure of how to complete the SAS-27, please call Robin at 564-4722.

The "Amount" column is subtracted to get to the net pay the employee will receive. The "State Pay" column is added to get to the total disbursement amount. The total disbursement amount is the amount that goes in the "Gross Pay" box at the bottom. On the attached example, the total disbursement amount is \$1364.84. The \$832.71 figure in the "Total Net Pay" box is the sum of the employee's net, plus state paid life, state paid shortfall, state paid health insurance and state paid retirement. when these two figures equal, you have done the SAS-27 correctly. This is provided that you do all the taxables correctly and don't make careless mistakes.

The Personnel Cabinet must have an original (signed in **red) and three copies of the SAS. We also need an original (signed in **red**) and one copy of the SAS Certification form.**

Processing Administrative Orders

If your agency is considering any type of reorganization, please note the checklists found on pages 7.19 and 7.25 of the Personnel Processing Manual. As specified in the first paragraph of the checklists the Administrative Order and/or Executive Order, the completed checklist and all required documentation should be sent to the State Budget Director, Governor's Office for Policy and Management. The information will be reviewed by GOPM and forwarded to all necessary agencies for further review as specified in the table.

Please note that if an "N" appears under the Administrative Order column, that particular agency is not required to review the Order and consequently will not receive a copy of said Order.

On-Line Retirement Calculation Available

The Kentucky Retirement Systems' web site now has a link to an "On-Line Retirement Estimate Program" and encourages public employees to use it. With this tool, you can calculate your individual retirement benefits without talking to a retirement counselor. Of course, if the employee is intending to retire, they should schedule an appointment with a retirement counselor. You can access this program at <http://www.kyret.com/>. If you have any questions, regarding this program, please contact (502) 564-4646 ext. 4522.

Agency Spotlight is Back

Last fall the Personnel Cabinet offered agencies a unique recruitment opportunity. We provide a table, chairs, and all the applicants that walk through our doors seeking employment. Most agencies also take advantage of a brief meeting with our employment counselors to explain what positions they are recruiting for, any special circumstances, and where the positions are located. All the agency has to provide is a recruiter and any information they want to make available to applicants. Several agencies have taken advantage of this and have had good responses.

If your agency would like to participate, please contact Stephany Ivers at (502) 564-7571 or at Stephany.ivers@mail.state.ky.us.

Non-Overnight Travel and FICA

The Social Security Division Web Site (<http://www.state.ky.us/agencies/finance/depts/ss/travel.htm>) gives some valuable information regarding non-overnight travel. According to the IRS, meal reimbursements for governmental employees who do not have overnight travel are a taxable fringe benefit. Kentucky governmental employers should treat employee expense reimbursements for non overnight as a taxable fringe benefit, withhold the applicable federal employment taxes and report these wages on Form W-2.

Transaction 919 is used to report a taxable benefit. See page 8.35 in the Payroll Manual for a description and instructions on using this transaction code.

SAS-27 CERTIFICATION FORM

SSN 123-45-6789

SIGN ORIGINAL IN RED
Signature

7/1/99

Payroll Voucher

Date

04-01-01

Agency Name

PERSONNEL CABINET

Org. Name

Personnel Administration

Page

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Of

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PA

Fund	Agency	Org	Sub	PBU	Activity	Function	Object	Sub-Object	B/S	Job/Proj #	Report Cat	Termini	Vendor Number
0100	C47	D792		FC00			E111						ZZ FN PAYRL00
Payment Type: (X)													
Period: _____ Accounting Period _____ Budget FY _____ From <u>04/01/01</u> To <u>04/15/01</u> Company Payroll Number <u>47792</u> Total Disbursement Amount <u>\$1364.84</u> Reference Number _____													

Last Name and Initials		Rate	Hours With Pay	Last Name and Initials		Rate	Hours With Pay
DOE, J.A.		1000.00 S/M	82.50				
Social Security Number	Amount	State Pay	Memo	Social Security Number	Amount	State Pay	Memo
123-45-6789							
Gross	1000.00	1000.00		Gross			
Social Security @ 6.20%	52.31	52.31	Social Security Taxable = 843.62	Social Security @ 6.20%			Social Security Taxable =
Medicare @ 1.45%	12.23	12.23	Medicare Taxable = 843.62	Medicare @ 1.45%			Medicare Taxable =
Federal Tax M/0	78.00		TXBL=793.62	Federal Tax			
State Tax 0	35.42		TXBL=793.62	State Tax			
Local Tax 18-13	17.50		Local Taxable= 1000.00 Name Frankfort	Local Tax			Local Taxable=
Local Tax			Local Taxable=	Local Tax			Local Taxable=
Retirement	50.00	* 58.90	Name KRS Wages Subject= 1000.00	Retirement		*	Name Wages Subject=
Health Insurance	106.38	* 234.00	BGFH	Health Insurance		*	
Bond				Bond			
XXX Shortfall		* 5.00	Ky State Treas.	State Paid Life Ins.		*	
State Paid Life Ins.		* 2.40	Ky State Treas.				
Misc # 18	15.75		Ky State Treas.	Misc			
Misc # 26	25.00		CCU	Misc			
Misc # 45	50.00		Ky State Treas.	Misc			
Misc # 52	25.00		KECC	Misc			
Misc				Misc			
Net Pay	* 532.41	1364.84		Net Pay	*		

Totals This Page	Gross Pay	Total Soc Sec	Total Medicare	Federal Tax	State Tax	Local Tax	EE Retirement	Saving Bonds	Health Insurance	Miscellaneous	*Total Net Pay
	1364.84	104.62	24.46	78.00	35.42	17.50	50.00		106.38	115.75	832.71
Grand Totals											

I certify that all persons listed in payroll files with the Personnel Cabinet were legally appointed and present on every working day during the pay period ending 04/15/01 except as indicated in the proper columns on this document and the amount set forth are legitimate claims against the Commonwealth of Kentucky. I hereby approve for payment those persons identified by payroll number 47792 as indicated in the Personnel Cabinet files.

I certify that the persons named on this document have been appointed in accordance with the provisions of KRS 18.110 to 18.360 and the Rules, Regulations, and Orders thereunder.



SIGN ORIGINAL IN RED

Employee Preparing Payroll _____ Date _____ Authorized Agency Signature _____ Date _____

Copies To:

Statewide Accounting Services

Treasurer

Social Security

Secretary, Personnel Cabinet

Personnel

Date

Agency (Pending)